From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Tue, 6/30/2015 6:28:44 PM
Subject:	Daily Update

Quote of the Day

"If you treat risk management as a part-time job, you might soon find yourself looking for one." - Deloitte

---

- Welcome to the last day of the 2Q/1H. It's a tentative morning as Greek headlines continue to roll in (i.e. the clown show is ongoing). Reminder Greece is +7 hours to EST. A Russian / Greek alliance would be icing on the cake. Stay tuned…

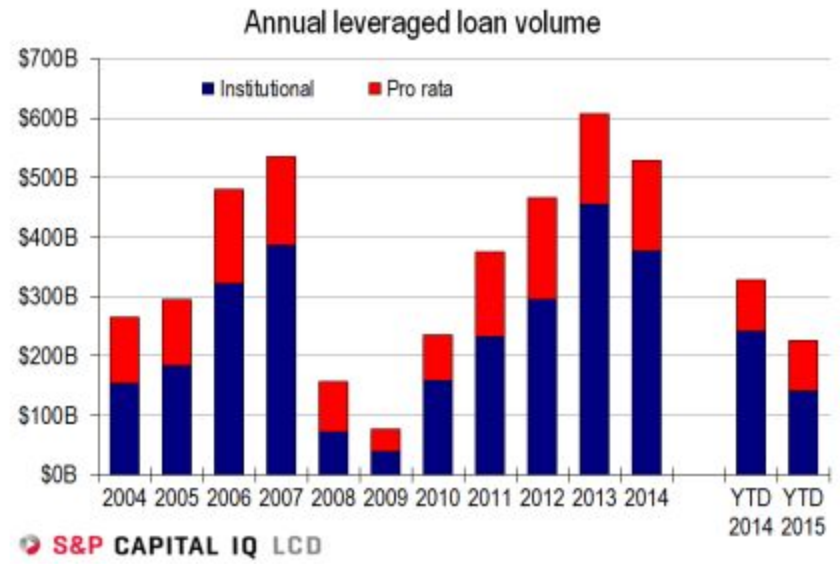
1)	*SCHAEUBLE SAID TO SAY GREECE MAY BE ABLE TO TAP EU SUPPORT FUND	BN	07:59
2)	*SCHAEUBLE SAID TO SEE GREECE STAYING IN EURO EVEN IF 'NO' VOTE	BFW	07:59

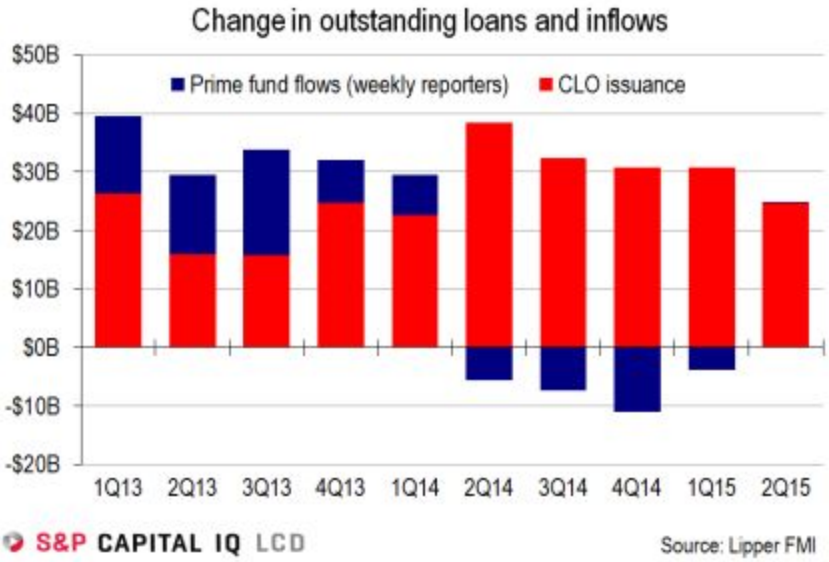
My favorite analysis today suggests that if Greece does not make the IMF payment today they would be in "arrears", not "default" (can I get that status on my mortgage if I don't pay?). Quality stuff… There are a number of potential scenarios that could play out over the coming days. Pick your flavor. Either way, there is a lot of negotiation happening as I type…. Reminder: Puerto Rico is looming and could turn out to be a bigger issue for US credit markets.

Yesterday's price action was ugly. 96% of stocks were down. A number of investors were wounded so markets will be on the lookout for any signs of distressed selling. Risk is very oversold so a bounce is in order. Although it was the biggest risk off day of the year, it did not feel like a full risk flush. If markets are going to have a proper panic it is still ahead of us… European equity markets are having a slightly positive day while bond yields in the region are generally wider by 1 to 4bps. Also this morning, articles on how the Fed may or may not alter their interest rate plan are beginning to creep out. Finally, today is the first anniversary of the jayvee team declaring a caliphate in the middle east. Futures: +10. 10 year: 2.33%

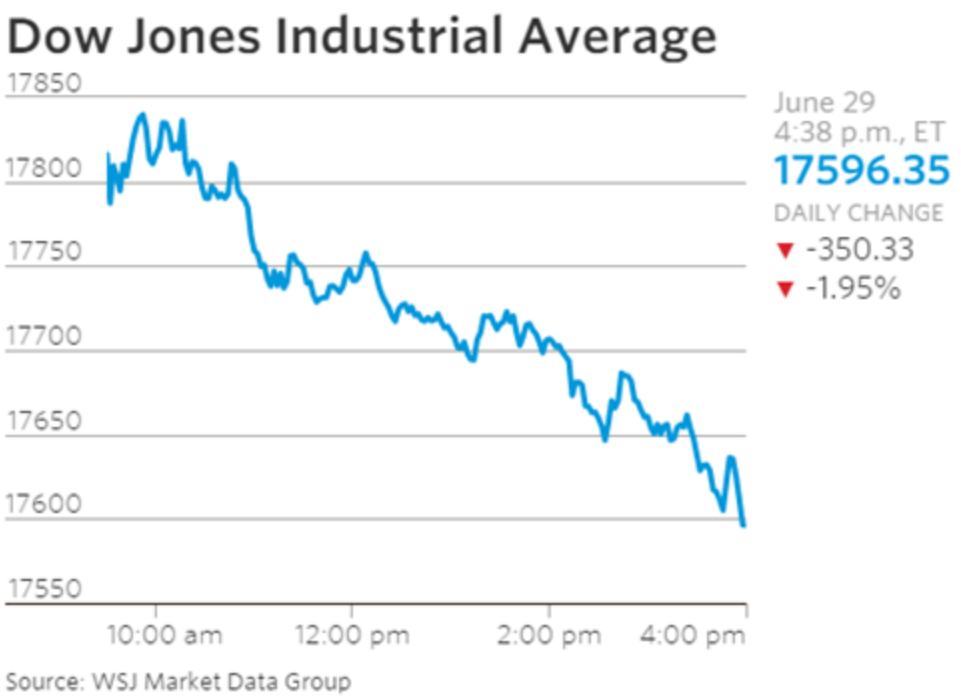
- Data: Zzzzzzzzzzzzzzzzzzz……..

- Credit: It was the worst day for loans since December. However, the loan market performed well. A couple of dealers have reported that they did not see panic and forced selling. Some believe cash levels are high based on pay downs, CLO rampers and SMAs. It seems that away from the macro noise, loan technicals remain solid. The CSLLI was down 17bps. High Yield bonds were down 47bps on the day, 148bps on the month and are now up only 2.8% (loans are up 2.85% ytd). JPMorgan is reporting that the yield differential between leveraged loans (5.79%) and high-yield bonds (6.97%) of 118bp is comparable to a median of 67bp since the beginning of 2010 and 79bp over the past 12 months. Beware relative value.

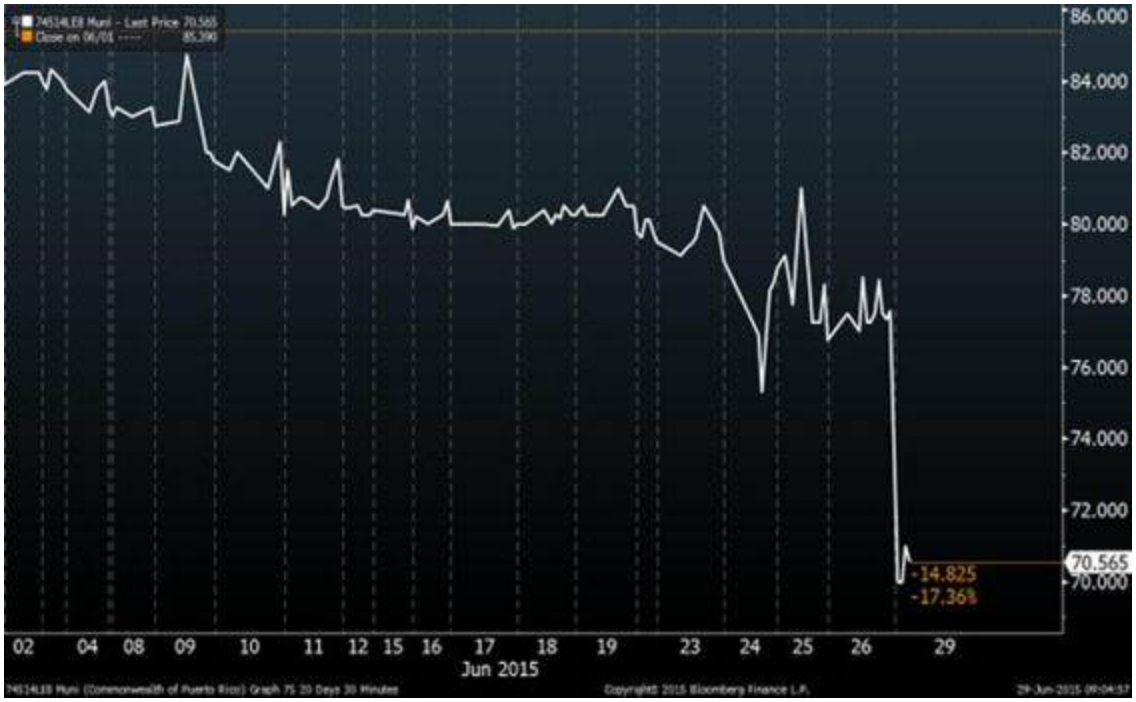




- Charts of the day:

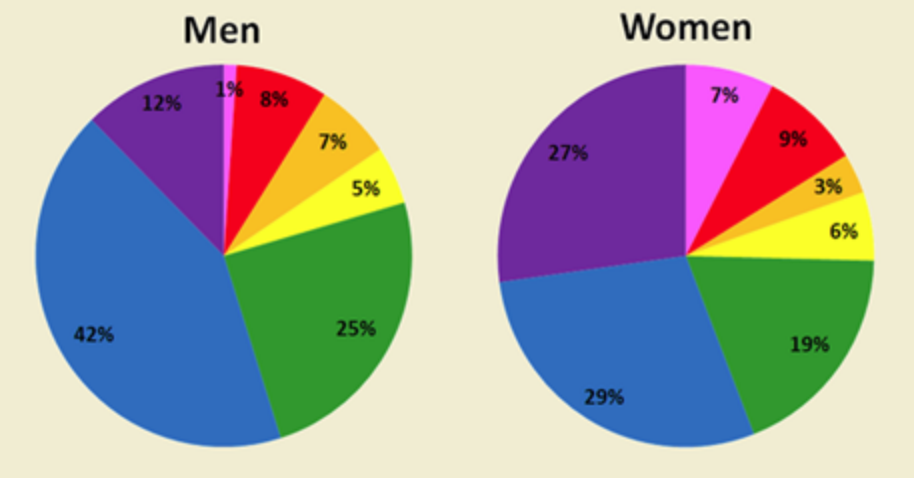


Puerto Rico Bonds



- Other:
    - For Fed to Delay Rate Hikes, Global Tumult Would Need to Infect U.S. http://www.wsj.com/articles/for-fed-to-delay-rate-hikes-global-tumult-would-need-to-infect-u-s-1435614480?mod=wsj_nview_latest

- Number 14 (speaking of clown shows….) http://www.washingtonpost.com/blogs/post-politics/wp/2015/06/30/christie-a-faded-republican-star-expected-to-launch-presidential-campaign-tuesday/?wprss=rss_politics
- Favorite color?



- HY: 106 ¼ (+3/8)
- IG: 70 1/8 (-1 5/8)
- CSLLI: -0.33% mtd / 2.85% ytd

Stan Sokolowski
Senior Portfolio Manager, Head of Portfolio Management and Trading
CIFC Asset Management LLC
250 Park Avenue, 4th Floor | New York, NY 10177
☎ (D) +1 212.624.0931 | (C) +1 203.918.3022
✉ ssokolowski@cifc.com | www.cifc.com

This communication and any files transmitted with it are confidential and intended only for the specified addressee. If you have received this communication in error, please immediately notify us and delete the communication from your system. This communication and any files transmitted with it are for informational purposes only and should not be construed as establishing any binding legal obligation on the part of CIFC Asset Management LLC or its affiliates (CIFC). If this communication contains any investment advice, such advice is qualified in its entirety by the relevant disclosure documents for CIFC and the investment products it manages, including the risk of loss disclosures in such documents.